



Foreign Agricultural Service

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Indonesia

Cotton Update

2000

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Report Highlights:

The expansion of Indonesian textile production in 2000 is spurring a corresponding growth in cotton imports. For MY 98/99 the cotton imports were up 21 percent to 507,185 mt. In MY99/00, the forecast shows a further increase to 550,000 mt. The outlook for U.S. cotton is positive due to the combination of increased Indonesian demand and competitive U.S. prices.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Jakarta [ID1], ID

Although many textile companies continue to face difficulties obtaining credit financing, the prospects for the Indonesian textile industry are encouraging. In MY 98/99, the total amount of cotton imports increased to 507,185 MT, about 21 percent more than the previous marketing year as the Indonesia's export of textiles and garments showed an increase over the export value in 1998. Preliminary data indicate that during the first four months, Aug-Nov of the MY99/00 cotton imports declined to 137,897 MT, compared to 191,117 MT during the same period last year, due to the political problems between Indonesia and Australia and domestic economic situation. However, after the new government took office in November 1999, textile producers express optimism that the Indonesia's textile production in 2000 will grow an additional 10%, as the macro economic conditions in Indonesia seem to be improving. FAS/Jakarta revised forecast for imports of cotton in MY99/00 to increase of around 43,000 MT to 550,000 MT, 8% up.

Australia continues to be the largest supplier cotton to Indonesia followed by the United States. Despite the political problems between Indonesia and Australia in the second semester of 1999, total imports from Australia went up to 249,055 MT in MY 98/99, which was 49% higher compared to 154,000 MT in MY97/98. On the other hand, reflecting the tight supply and high price situation, U.S. cotton had declined to 80,000 MT in MY 98/99 from 110,000 MT in MY 97/98. Australian cotton exporters have been very competitive, offering higher discounts than other countries. However, the outlook for U.S. cotton is improving; helped in part by the availability of GSM-102 credit guarantees. During the first three months of the program (November 29, 1999 date through February) US\$ 34.70 million in sales have been registered, a record pace, well above the FY99 total of US\$ 12.60 million

Cotton consumption continues to grow. For MY 98/99, total domestic consumption was 459,000 MT and is estimated to increase 10% to 509,000 MT in MY99/00. Growth in exports of Indonesian textiles and garments will stimulate cotton demand further in the MY99/00 year.

PSD Table				Units:	1,000 MT
Country:	Indonesia				

Commodity:	Cotton					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		08/1997		08/1998		08/1999
Area Planted	0	26000	0	27000	0	28000
Area Harvested	21000	21000	21000	21000	21000	21000
Beginning Stocks	22208	15283	30917	8668	40933	59853
Production	3701	3800	3701	3000	3701	3000
Imports	418688	418585	507085	507185	544316	550000
TOTAL SUPPLY	444597	437668	541703	518853	588950	612853
Exports	0	0	0	0	0	0
USE Dom. Consumption	402794	420000	489885	450000	522544	500000
Loss Dom. Consumption	10886	9000	10886	9000	10886	9000
TOTAL Dom. Consumption	413680	429000	500771	459000	533430	509000
Ending Stocks	30917	8668	40933	59853	55520	103853
TOTAL DISTRIBUTION	444597	437668	541704	518853	588950	612853

PSD Table						
Country:	Indonesia				Conversion	0.004593
Commodity:	Cotton				Units	Bales
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin						
Area Planted	0	26000	0	27000	0	28000
Area Harvested	21000	21000	21000	21000	21000	21000
Beginning Stocks	102	70	142	40	188	275
Production	17	17	17	14	17	14
Imports	1923	1923	2329	2329	2500	2526
TOTAL SUPPLY	2042	2010	2488	2383	2705	2815
Exports	0	0	0	0	0	0
USE Dom. Consumption	1850	1929	2250	2067	2400	2296
Loss Dom. Consumption	50	41	50	41	50	41
TOTAL Dom. Consumption	1900	1970	2300	2108	2450	2338
Ending Stocks	142	40	188	275	255	477
TOTAL DISTRIBUTION	2042	2010	2488	2383	2705	2815

Import Trade Matrix				
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Country:		Units:	1,000 MT		
Commodity:	Cotton				
Time period:	Aug-Jul				
Imports for	1996/1997		1997/1998		1998/1999
U.S.	114	U.S.	110	U.S.	80
Others		Others		Others	
Australia	121	Australia	154	Australia	249
India	49	Pakistan	22	China	27
Former USSR	25	Tanzania	15	Ivory Coast	22
Tanzania	24	India	13	Syrian Arab Rep.	15
Ivory Coast	12	Syrian Arab Rep.	10	Uzbekistan	12
Argentina	10	Ivory Coast	9	Benin	10
Syrian Arab Rep.	10	Uzbekistan	7	Burkina Faso	9
Greece	8	Former USSR	7	Tanzania	7
Mexico	6	Mexico	6	Mexico	5
Turkey	5	Azerbaijan	2	Argentina	5
Total for Others	270		245		361
Others not listed	83		64		66
Grand Total	467		419		507

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:	Cotton		

Time period:	Aug-Nov		
Imports for	1998		1999
U.S.	28	U.S.	17
Others		Others	
Australia	117	Australia	62
China	5	China	13
Ivory Coast	7	Ivory Coast	8
Tanzania	3	Syrian Arab Rep.	6
Syrian Arab Rep.	3	Benin	4
Benin	3	Burkina Faso	4
Burkina Faso	3	Argentina	3
Argentina	1	Uzbekistan	2
Mexico	1	Tanzania	1
Uzbekistan	1	Mexico	1
Total for Others	144		104
Others not listed	19		16
Grand Total	191		137

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